

NORTH CAROLINA SPECIALTY FOODS ASSOCIATION BY-LAWS

ARTICLE I: Name

Section 1.1: The name of the Association shall be North Carolina Specialty Foods Association (NCSFA).

Section 1.2: The principal office of the Association shall be in the state of North Carolina. Other offices may be designated by the Board of Directors.

ARTICLE II: General Objectives

Section 2.1: Objectives of the Association, to which its members are joined together and mutually pledged, shall be to actively (1) encourage and support the promotion and appreciation of North Carolina specialty food and beverage and wine products, and (2) encourage an atmosphere of networking and support among its members.

Section 2.2: In furtherance of these purposes and objectives, but not in limitation thereof, the Association shall have power:

- A) To engage in any lawful activities that will enhance the Association's efficient operation, economic livelihood, and ability to inform the public of its scope and character.
- B) To coordinate and conduct promotional activities.
- C) To secure and present the views of the members to other organizations, the government, and the public.
- D) To collect and disseminate statistics and other information for the purposes of promoting North Carolina specialty foods, beverages and wines and/or NCSFA.
- E) To conduct educational and training programs for members of the industry.

ARTICLE III: Powers

The organization shall be empowered to do all things and conduct all business, not for profit, necessary to carry out the general objectives of the Association as set forth in these By-laws.

ARTICLE IV: Membership Qualifications and Classifications

Section 4.1: Any North Carolina-based company or organization engaged in any one or more areas of, or service to, the North Carolina specialty food, beverage or wine industry, and whose products are of high quality may apply for membership according to membership classifications

as provided in these By-laws. Membership in the association shall be available without regard to race, color, creed, national origin, or sex.

Section 4.2: The applicant must qualify for membership according to the following provisions;

- A) The applicant must produce or service a food, beverage, or confection product meant for human consumption.
- B) Applicants must be engaged in or connected with the North Carolina specialty food, beverage and wine business for at least one year prior to the time of application unless application is made for introductory membership.
- C) The Membership Committee with the Board of Directors may reject an applicant based on membership committee guidelines.

Section 4.3: The members of the Association shall be grouped into the classifications of manufacturing members, introductory members, retail members and associate members. Any disputes or problems regarding proper classification of any applicant or member shall be resolved by the Board of Directors. (Amended September 1995)

- A) Manufacturing members shall consist of bona fide manufacturers, and packers of North Carolina specialty foods, beverages or wines who sell their products at wholesale.
 - 1. North Carolina specialty food, beverage or wine manufacturers shall consist of all corporations, partnerships or persons engaged in the manufacturing, processing of specialty food, beverage or wine products, and based within the State of North Carolina.
 - 2. North Carolina-based specialty food, beverage or wine packers shall consist of all corporations, partnerships or persons engaged in the processing or packaging of North Carolina-labeled specialty food, beverage or wine products, and whose products are packaged with the United States of America due to the lack of processing facilities within the State of North Carolina.
 - 3. North Carolina specialty food, beverage or wine manufacturers as described in a) 2. Above must process at least one product in the State of North Carolina.
 - 4. North Carolina specialty food, beverage or wine manufacturers and processors whose businesses also include the retailing of North Carolina specialty food, beverage or wine products must join the Association as a manufacturing member.
- B) Introductory members shall consist of bona fide manufacturer and packers of North Carolina specialty foods, beverages or wines, who plan to sell their products at wholesale, but have been in business less than a year.

- 1) This membership classification allows new companies to become members who can benefit from NCSFA guidance, consultation and direction while in a developmental or startup mode.
 - 2) This membership classification is limited to a maximum of one year from the time application is made.
 - 3) Regular membership can be applied for any time during this one-year period, and can receive full regular membership status providing all criteria are met and approved by the Membership Committee.
 - 4) This membership classification entitles its members all rights and privileges of regular membership, except the right to use the NCSFA logo on any products, promotional materials, or stationery.
 - 5) This membership classification also permits its members to exhibit in a special section at NCSFA sponsored trade shows. The purpose of this special section will be to "Sample products in development by NCSFA introductory members."
 - 6) Annual dues are the same as for manufacturing members. Should the classification change as described in b) 2., all dues money remaining for the year, and on a prorated basis, may be transferred to their manufacturing member classification when such membership has been approved.
- C) Retail members shall be bona fide corporations, partnerships, or persons engaged in buying and selling North Carolina specialty food, beverage, wine or products at retail.
- D) Associate members shall consist of all other persons, partnerships, or corporations, including but not limited to importers, exporters, distributors, brokers or agents of North Carolina specialty foods and beverages, and distributors of North Carolina wine, all of whom sell their products at a wholesale; accessory or service suppliers of North Carolina specialty food, beverage or wine products, publications and trade organizations of the specialty food, beverage or wine products industry.
- 1) Accessory Supplier members are companies engaged in the business of manufacturing, importing or distributing baskets, wrappings, packaging materials, ribbons, food utensils, tableware, etc. For use with North Carolina specialty food, beverage and wine products. Accessory suppliers shall be defined as such by judgment of the quality and nature of their products in accordance with the criteria set forth by the Membership Committee and the Board of Directors.
 - 2) Service Supplier members are companies engaged in providing services needed by the specialty food, beverage and wine industry, including but not limited to food photographers, printers, manufacturers and distributors of shipping supplies, consultants, etc.

- 3) Publications shall consist of such magazines, journals, or cookbooks whose admission to the membership is deemed by the Membership Committee to be of value to the membership of the Association.

Section 4.4: Once accepted into membership, each member shall in good faith continue to comply with the criteria and standards under which the applicant was accepted, comply with these By-laws and any amendments thereto duly adopted, comply with rules and regulations adopted by the Association, and comply with terms and conditions of any and all agreements made between the member and the Association. A member's conduct in matters relating to the Association shall not be detrimental to the rights and interests or the Association.

ARTICLE V: Membership Procedures

Section 5.1: Applications for membership may be filed at any time. An application fee, depending upon membership classification applied for, is required at the time of filing. Upon written notification of acceptance, full or pro-rated annual dues are to be paid in full to the Association.

Section 5.2: Applications for membership shall be made to the Membership Committee. The Committee shall consist of a chairman, who is also Vice President of the Board of Directors, and four members of which no more than one shall be Board members. The Committee shall meet quarterly, or more often if deemed necessary, to consider applications for membership in NCSFA. Information regarding the applicant, which is pertinent in determining an applicant's fitness, shall be solicited from the entire membership. It shall be the duty of the Membership Committee to investigate an applicant's products, following the guidelines and high standards as set forth by the Association.

Section 5.3: The Membership Committee shall submit the applicant's name, with the above data, to the Board with the recommendations of the committee at the next regular scheduled meeting of the Board by special meeting called by the President at the request of the Committee Chairman. Approval by a majority of the Board shall be required before offering admission to the Association to those applicants recommended by the Membership Committee.

Section 5.4: Misleading statements shall bar acceptance of an applicant. Any member who has obtained membership by misleading information shall be expelled from the Association following a quorum vote of the Board of Directors. Application forms must include a statement outlining this provision.

Section 5.5: If an application is rejected by the Membership Committee because the applicant's products/service are not of a specialty nature or not of sufficiently high quality, the applicant may appeal the decision in writing to the Board of Directors requesting that his qualifications be reviewed. Costs of reviewing the application shall be borne solely by the applicant.

Section 5.5a: The Board may use a food specialist or organization not connected with either NCSFA or the applicant to make a determination that is binding on both parties as to membership qualification.

Section 5.6a: The Board may use the Better Business Bureau of North Carolina, Inc. To assist in making a determination that is binding on both parties as to membership qualifications.

ARTICLE VI: Resignation, Suspension or Termination

Section 6.1: Any member may resign their membership in good standing upon giving written notice to the Secretary of the Board of Directors and upon fulfillment of all obligations to NCSFA.

Section 6.2: Members may be censured, suspended or expelled by a majority vote of a quorum of the Board of Directors, after due written notice to and hearing of the member, as a result of any acts prejudicial to the interests of the Association. Expelled or suspended members may be reinstated following a review and recommendation by the Membership Committee, and by a majority of members present at an official meeting of the Board of Directors. (All fees and dues applicable to new members, shall be required prior to the reinstatement.)

Section 6.3: Following notification by the Treasurer to the Board of Directors, a member shall be stricken from membership for nonpayment of dues or other financial obligations to NCSFA, where nonpayment covers a period of three (3) months. A member shall be reinstated after following application procedures, including application fee, review by the Membership Committee, advertisement in the Association newsletter, vote by the Board of Directors, and payment of delinquent dues.

Section 6.4: Members may petition the Board of Directors in writing for an extension of payment of financial obligations to the Association. The request must be received by the Treasurer no later than thirty (30) days after the date of the initial invoice for the financial obligation.

ARTICLE VII: Dues and Fees

Section 7.1: Annual dues for all categories of membership shall be determined from time to time by the Board of Directors, and they shall be payable prior to February 1st of each calendar year for that year. All membership dues may be pro-rated on a semi-annual basis. (Amended September 1995).

Section 7.2: Members who fail to pay their dues within thirty (30) days after payment is required shall forfeit all rights and privileges of membership until such time payment is received, or until sixty (60) days have passed from the due date, at which time the member shall be deleted from the membership rolls.

Section 7.3: Members must pay their dues according to the membership category into which they were accepted by the Association. Conversion to another membership category is not allowed unless the member submits a written request to the Board of Directors or the Vice President prior to the billing of annual dues. The notification shall be reviewed by the Membership Committee for compliance to the requirements and standards of the membership category requested. The Membership Committee shall then make its recommendation to the

Board of Directors and the Board shall vote on the recommendation. A majority of members present at an official meeting of the Board is required to pass the committee's recommendations to change the member's class of membership. Conversion of dues payment amount will be effective on the annual date of dues renewal. (Amended September 1995).

Section 7.4: Proposals by the Board of Directors for additional fees, to be paid by the members of the Association for special projects, must be approved by two-thirds of the full, active membership.

ARTICLE VIII: Privileges

Section 8.1: Members in good standing shall be entitled to all the privileges of the Association, as defined in the Association's Policies and Procedures Manual.

ARTICLE IX: Voting Rights

Section 9.1: All manufacturing members shall be entitled to attend and vote at any meeting of the full membership of the Association. Each member shall appoint and certify to the Secretary of the Association a person to be its representative herein and who shall represent, vote, and act for the member in all affairs thereof.

Section 9.2. Retail members shall be entitled to vote at any meeting of the full membership of the Association. Each retail member shall appoint and certify to the Secretary of the Association a person to be its representative herein and who shall represent, vote, and act for the member in all affairs thereof. (Amended September 1995).

Section 9.2a: Retail members shall be entitled to full voting rights on any committee to which they have been appointed to serve.

Section 9.3: Proxy voting by manufacturing and retail members is permitted if the member cannot attend any meeting. A written proxy, which includes the business name, address, and signature of the principal owner of the member, may be given to the Secretary of the Board of Directors or another Association member who shall use the proxy to vote on matters in the absent member's behalf. For the Annual Business Meeting the proxy must be presented to the Secretary of the Board of Directors for certification at least one hour prior to the start of that meeting.

Section 9.4: All classes of membership shall be entitled to one vote per member in committee decisions.

ARTICLE X: Board of Directors

Section 10.1: The Board of Directors shall consist of nine (9) directors elected by the membership from the pool of members in good standing in the Association. At least one (1) and up to three (3) directors may be elected from the retail membership. Only members who have participated in the activities of the Association may set on the Board, and no member company shall have more than one person serving as a director.

Section 10.2: The Board shall ensure the proper conduct of the administrative affairs of the Association, the fulfillment of duties by officers, and compliance with these By-laws.

Section 10.3: Other than the established quarterly meetings, meetings of the Board may be called by the President as he may see fit or at the request of any three (3) members of the Board. At least 55% of the Board members shall constitute a quorum at all Board Meetings.

Section 10.4: A director may serve only two (2) consecutive terms, and then must rotate off the Board for at least one (1) year.

Section 10.5: All directors are required to take an active role so as to represent the membership who elected them. Any director who misses two consecutive meetings without written notification to the Board Secretary may be asked to resign immediately.

ARTICLE XI: Officers

Section 11.1: The officers of the Association shall be elected by the Board of Directors, from among the elected Directors, at the first Board meeting following the election of the Board. The officers shall be a President, President Elect, Secretary and Treasurer. Their term of office shall be one year and shall end following the installation of the new Board of Directors.

Section 11.2: No officer except the Secretary and Treasurer shall serve in the same office more than two consecutive terms. No person may hold more than office at one time.

ARTICLE XIII: Duties of Officers

Section 12.1: Duties of the President - The president shall preside at all meetings of the Board of Directors, and shall serve as ex officio member of all committees. The President shall appoint special committees from time to time as he feels necessary, and shall fully outline their duties so that assignments will not conflict with any standing committee. The President shall be responsible for the conduct of the business of the meeting and the preparation of the agenda. Any statement of policy or action of the president relating to the Association must reflect the conclusions of the group and not represent the president's personal opinion or individual action. The president shall cause to be published an annual report on the status of the Association, its plans and programs, policy decisions reached and other pertinent matters dealing with the affairs of the Association. (The president is highly encouraged to develop a yearly action plan, outlining the proposed goals and objectives for the organization.) These reports will be presented to the membership at the Annual Business Meeting. The president shall annually appoint a board member to serve as Parliamentarian at board meetings and all membership meetings. The president shall serve as past president for one year following his/her term as president. (Amended September 1995, February 2001)

Section 12.2: Duties of the President Elect - The president elect shall act in the place of the president should he, for any reason, be unable to perform his duties. The president elect shall act as chairman of the following standing committee: Membership Committee. (Amended February 2001)

Section 12.3: Duties of the Secretary - The secretary shall be responsible for the maintenance of the legal records for the Association's business. The secretary shall be responsible for the

recording of minutes of the Annual Business Meeting and all Executive Committees. The secretary shall receive petitions for calling special meetings, and be responsible for notices to the membership of all regular and special meetings, and notices of proposed and adopted amendments of these By-laws. The secretary shall receive the slate of officers prepared by the nominating committee. The secretary shall be responsible for determining which individuals may vote as members at any meeting of the Association. Annually, prior to the Annual Business Meeting and in conjunction with the By-laws Committee, the secretary shall review the legal documents of the Association and make a report with recommendations to the Board of Directors. The secretary shall also serve as Chairman of the By-laws Committee. (Amended February 27, 1995)

Section 12.4: Duties of the Treasurer - The treasurer shall be responsible that complete and accurate financial records are maintained, and that these records are on file at the office of the Association, subject to the call of the president, or by action of the Board of Directors. The treasurer shall be responsible for disbursements made by the president or executive secretary which are not to exceed \$100.00. Disbursements in excess of this amount must be authorized by the Executive Committee. The treasurer shall approve and sign all invoices of the executive secretary. The treasurer shall serve as chairman of the Finance Committee and oversee the annual audit of the Association's books.

Section 12.5: Duties of the Past President - The past president shall serve, as a voting member, on the Board of Directors for one year as an advisor to all committees. He/she may also serve simultaneously as a board member, if elected to that position, to complete the term to which they were originally elected. (Amended February 2001)

ARTICLE XIII: Elections

Section 13.1: At the Annual Business Meeting next held after the adoption of these By-laws, there shall be elected nine (9) directors. For the initial Board, three (3) directors shall have a term of one (1) year, three directors shall have a term of two (2) years, and three directors shall have a term of three (3) years each.

Section 13.2: Voting shall be upon a slate proposed by the Nominating Committee. The slate shall consist of one or more nominees for each office. Additional nominations may be proposed in writing 24 hours prior to the Annual Meeting and signed by three manufacturing and/or retail members. Both manufacturing and retail members may vote for directors which represent both the manufacturing and retail classes. Ballots with the proposed slate of nominations for board members shall be sent to each member in good standing at least thirty (30) days in advance. Ballots can be cast in person at the Annual Business Meeting or by absentee ballot so long as the marked and signed ballot is returned to the executive secretary for tallying prior to the Annual Business Meeting. No votes by facsimile will be permitted.

Section 13.3: The newly elected directors shall be announced by the executive secretary at the Annual Business Meeting, and shall officially assume the duties of office at the next board meeting following the Annual Business Meeting.

ARTICLE XIV: Interim Appointments

In the event of the death, resignation, disability or disqualification of any elected officer or board member, the Board of Directors shall make an interim appointment to office so vacated to fill the unexpired term. (Amended September 1995)

ARTICLE XV: Advisors to the Board

Section 15.1: The Executive Committee may appoint advisors to the Board. The immediate past president of the North Carolina Specialty Foods Association may be appointed as an advisor to assist the president in any capacity deemed necessary.

Section 15.2: The term of each advisor shall be one year, and the advisor shall have no voting rights at the board meetings; however, advisors may serve on committees and may vote at committee meetings.

Section 15.3: The Board of Directors may identify additional entities which are supportive of the Association and may recommend their appointment as advisors to the Board at any time.

ARTICLE XVI: Meetings

Section 16.1: All meetings for conduct of Association business shall be guided by parliamentary procedure as specified in Robert's Rules of Order.

Section 16.2: Annual Business Meeting - shall be held during the first trimester off each calendar year and shall include participation of all members in good standing in the Association. Notice of the time and place of the Annual Business Meeting shall be announced to the membership in writing at least one month prior to the meeting.

Section 16.3: Board of Directors Meetings - Regular meetings of the Board of Directors shall be held quarterly at the time and place determined by the president and published to the membership at least one month in advance of the meeting date.

Section 16.4: Special Meetings - Special meetings may be called by three (3) members of the Board of Directors. Notice of any special meeting shall be mailed to each member at least 7 days in advance, with a statement of time, place, and information as to the subject or subjects to be considered.

Section 16.5: Official Meetings - A meeting shall be Official and business conducted shall be Official Business when 55% of the membership is present at the Annual Meeting and all Special meetings as defined in Section 16.4. All votes shall be voice, except that upon request of any member present a roll call vote shall be taken. All voting must be in person except by proxy which must be written, signed and filed with the secretary of the Board of Directors. Proxy votes may be used only on matters where the motion with vote choices have been explained in writing and mailed to voting members at least 14 days prior to the official meeting.

ARTICLE XVII: Executive Secretary

Section 17.1: The executive secretary may be retained by the Board of Directors and shall be responsible to the Executive Committee of the Board.

Section 17.2: The executive secretary shall be a non-voting, non-office holding participant, may attend and open meetings of the Association, and all regular or special meetings of the Executive Committee and Board of Directors, and shall record and transmit in written form all actions and decisions of said meetings following review by the Board secretary.

Section 17.3: It shall be the duty of the executive secretary to execute, administer and supervise the Association's administrative operations consistent with the By-laws, Board directives, and Board-approved job description.

Section 17.4: In the event that the Board of Directors shall change the title of the executive secretary, all references in these By-laws to the executive secretary shall apply with respect to such changed title.

ARTICLE XVIII: Committees

There shall be four (4) standing committees of the Association, with each having no more than seven (7) members in good standing. Committee members shall be appointed by the president, following his election, to serve for one year or until their successors are appointed. The president shall also have the power to appoint additional committees as deemed necessary to the proper functioning of the Association. All committees shall submit written or oral reports which shall be included in the minutes of the Association.

A) The Executive Committee shall consist of the officers of the Association. The committee shall consult with and advise the Executive Secretary in the management of the Association's daily affairs. The Executive Committee, when the Board of Directors is not in session, may exercise all of the powers of the Directors except to approve an amendment of the Articles of Incorporation or the Association By-laws and may authorize the Seal of the Association to be affixed as required. The executive committee shall report their activities to the Board of Directors at the next regular meeting for approval. The committee shall review and approve an annual budget that is prepared for the Association, and submit it to the Board of Directors for their approval at the fourth quarter Board meeting. The adopted budget cannot be changed or amended except by the Board of Directors. The Committee shall arrange for a review of all financial records of the Association and present copies of the report to the Board of Directors within 60 days following the close of the fiscal year, or as soon thereafter as possible. A certified audit may be initiated with the approval of the Board.

This committee shall review at least annually the programs and services offered by the Association, and in conjunction with the Finance Committee, make recommendations for needed changes. The committee shall also review promotional proposals and materials, and make recommendations to the Board.

This committee shall have the authority to plan, implement, and execute the Annual Conference of the Association, subject to the approval of the Board of Directors and in conjunction with the Finance and Programming Committees.

B) The By-laws Committee shall consist of at least the secretary as chairman and one other Board member. This committee shall review the By-laws and procedural guidelines of the Association at least once annually, and shall recommend to the Board any changes it deems necessary for the Association to properly accomplish its objectives.

C) The Membership Committee shall consist of at least the president elect as chairman and at least one other Board member. This committee shall verify membership application and recommend admission of applicants to Association membership. This committee will also recommend changes to the admissions criteria and admissions process as needed to the Board of Directors. (Amended February 2001)

D) The Nominating Committee shall consist of at least three (3) members to include one Board member, as appointed by the president, with the approval of the Board, at the fourth quarter Board meeting prior to the Annual Business Meeting. One of the three members shall be selected to act as Chairman. This committee shall prepare a slate of nominees for the Board and shall secure the consent of its nominees to serve if elected. The slate of nominees shall include at least one, but no more than three (3) retail members. It shall file with the secretary its report of nominees not less than 30 days prior to the Annual Business Meeting. Write-in nominations shall be permitted, following the procedure as outlined in Article XIII, Section 13.2, but nominations from the floor shall not be allowed. Nominations from the floor shall not be allowed. All write-in nominees shall be members in good standing and who have given their consent to the nomination.

ARTICLE XIX: Obligations, Indebtedness, Bonds & Insurance

Section 19.1: Authority to Incur Obligations or Indebtedness - Only the elected officers or persons authorized by the Board of Directors to act on behalf of the Association shall incur any obligations or indebtedness incurred in accordance with the provisions of these By-laws shall be incurred solely as organizational obligations. No personal liability whatsoever shall be attached to such obligation or liability. All disbursements shall be made in accordance with the approved budget or by the specific order of the Board of Directors.

Section 19.2: Unauthorized Obligations - No elected officer or any person authorized to act on behalf of the Association shall incur any obligation or indebtedness in the name or the Association which is not for the general benefit of the entire membership of the Association. The Board of Directors shall not approve the incurring of any such obligation or indebtedness.

Section 19.3: Personal Liability for Unauthorized Obligations - The incurring of any obligation or indebtedness in the name of the Association by any elected officer or member in contravention of these By-laws shall be an ultra vires act. The person or persons responsible for such act or acts shall be personally liable, individually and collectively, to the Association in an amount equal to the obligations or indebtedness which the Association may be required to pay, (including all incurred legal fees).

Section 19.4: Bonds and Insurance - The Board of Directors may require adequate bond for all officers, agents and employees charged by the Association with responsibility for the custody of its funds or negotiable instruments. Unless cash security is given, such bonds shall be furnished by a responsible bonding company and approved by the Board of Directors. The Board shall provide for the adequate insurance of the property of the corporation, or property which may be in the possession of, stored by, or not otherwise adequately insured by the Association. Adequate insurance covering liability for accidents shall be provided to all employees

ARTICLE XX: Fiscal Year

The fiscal year shall begin on the first day of January and end at the close of business on December 31 each year.

ARTICLE XXI: Seal

The Association shall have a seal of such design as the Board of Directors may adopt.

ARTICLE XXII: Dissolution

In the event of dissolution of the North Carolina Specialty Foods Association, remaining assets after the satisfaction of all obligations of the corporation shall be distributed to an entity engaged in activities substantially similar to NCSFA for purposes within the scope of 501(c)(6) of the Internal Revenue Code of 1954, as amended, or the corresponding provision of any future United States Revenue Law.

ARTICLE XXIII: Amendments

These By-laws may be amended, repealed, or altered, in whole or in part, by a majority vote at any Official Meeting as described in Article X, Section 16.5. A copy of any amendment proposed for consideration shall be mailed to each member at least thirty (30) days prior to the date of the meeting. A proposed amendment shall become effective immediately upon ratification by a majority vote at an Official Meeting.

Amended: 2/95; 9/95; 2/01